

Judiciary

(Amounts In Thousands)

Funding History

	FY90			FY01	FY02	FY03
GF/GP	\$111,835.2			\$170,316.8	\$175,223.9	\$178,818.1
All Funds	\$153,347.0			\$236,914.0	\$241,449.9	\$246,587.9
		% Change - GF/GP			2.9%	2.1%
		% Change - All Funds			1.9%	2.1%

KEY ISSUES	GF/GP	All Funds
Federal Grant Adjustments	\$0.0	\$516.3
General Fund Reduction Due To Increased Court Fee Fund Revenues	(\$1,000.9)	\$0.0
Public Acts 251 - 258 of 2001 - Addition of 5 New Judgeships	563.7	563.7
Adjustments To Reflect End of 1997 Early Retirement Payouts	(\$76.6)	(\$76.6)
Economic Adjustments	\$4,793.4	\$4,820.0
Staff Reductions Needed To Pay For Employee Economics (9.0 FTE's)	<u>(\$685.4)</u>	<u>(\$685.4)</u>
Subtotal	\$3,594.2	\$5,138.0
FY 2003 Executive Recommendation	\$178,818.1	\$246,587.9

Judiciary

Michigan's Constitution vests the judicial power of the state exclusively in a court system composed of the Supreme Court, the Court of Appeals, the circuit court (which is the trial court of general jurisdiction, including the family court division), the probate court, and courts of limited jurisdiction such as the Court of Claims, district court and municipal courts. Further, the Constitution provides that the Supreme Court has general superintending control over all courts. The statewide court system is administered by the Justices through the State Court Administrative Office. Education and training for judges and court staff are provided through the Michigan Judicial Institute.

The fiscal year 2003 budget recommendation for the Judicial branch of government is \$246.6 million, of which \$178.8 million is general fund.

Achievements of the Last Decade

Trial court financing and organization were significantly changed in 1996. Public Act 374 of 1996 created the Court Equity Fund, which established a new formula for distributing money to the state's 83 counties. This act also transferred the Wayne County trial courts back to the City of Detroit and Wayne County, and created a five-year Hold Harmless Fund to gradually phase in the new funding formula for those locations. The final Hold Harmless payment will take place in fiscal year 2002, and the new formula will be fully implemented in 2003.

"Court reform is critically important to serving Michigan families better. It's yet another way of making sure government serves you, not burdens you."

Governor John Engler, State of the State Address, January 1996

Public Act 388 of 1996 created the Family Division within the Circuit Court and assigned all family-related functions to it, including domestic relations cases, adoptions, child abuse and neglect, juvenile delinquency, and other family-related legal matters. The Family Division allows courts to interact with families in a holistic and consistent manner. Since establishment, the Family Division has handled more than 428,000 cases, including divorce, child custody, and paternity cases.

The Supreme Court continues to seek ways to improve the delivery of justice, through demonstration projects to determine the impact of various administrative and organizational changes. Incentive grants have been awarded for 35 courts to implement a variety of organizational designs, technology innovations, and streamlined docket processes. Projects are evaluated for replication based on several factors including more timely completion of case processing, reduced costs, and increased public satisfaction with the court's performance.

Michigan's drug court program was established in 1999 to address substance abuse problems among nonviolent offenders. Early, continuous and intense judicially supervised programs are combined with mandatory drug testing to reduce criminal behavior and substance abuse. The state now operates 17 drug courts serving approximately 1,500 offenders. Nine additional drug courts are scheduled to be implemented in 2002.

Response to Revenue Decline

During the past year, state agencies were forced to reduce spending in order to bring expenditure levels in line with available funding. The Judiciary reduced general fund spending by nearly \$6.6 million over the past two years without compromising the operation of the statewide court system. Reductions were achieved through operational efficiencies, reductions in the Judicial Technology Improvement Fund and drug court program, as well as a reduction in Court Equity Fund support for local courts.

Summary of Fiscal Year 2003 Executive Budget

The Judiciary budget includes funding for judicial salaries, operational expenses of the Supreme Court and Court of Appeals, management assistance to local courts, operational expenses for local trial courts, and indigent defense legal assistance.

The fiscal year 2003 budget recommendations include a \$532,800 increase in federal grant funds to the State Court Administrative Office, and additional federal grant adjustments to the Community Dispute Resolution Program and the Appellate Public Defender Program. Increased district court civil filings and small claims court filings have resulted in a \$1.0 million revenue increase in the Court Fee Fund, saving the general fund an equal amount. Additionally, Public Acts 251 through 258 of 2001 have a net effect of creating five new judgeships in the state and the fiscal year 2003 recommendation provides \$563,700 to cover the cost associated with these positions.

In his January 2001 State of the State address, Governor Engler called for the creation of a cyber court for the purpose of promoting efficient arbitration between businesses. The legislature recently passed legislation to create the cyber court (P.A. 262 of 2001). The Michigan Supreme Court will draft procedural rules for the cyber court and will assign judges to serve on the cyber court for three-year terms. Cases will involve business-to-business civil actions. Court briefs and other documents will be filed on-line and oral arguments will occur via teleconference. The fiscal year 2003 recommendation includes \$1.0 million in support for the cyber court, contingent upon the receipt of anticipated Child Support Enforcement System refund revenue from the federal government. The fiscal year 2003 budget also includes a \$5.0 million appropriation for the Judicial Technology Improvement Fund, contingent on the same child support federal refund.

Construction of the new six-story Hall of Justice building is scheduled for completion in early fiscal year 2003. The Supreme Court, the Lansing branch of the Court of Appeals, the State Court Administrative Office, the Michigan Judicial Institute, and a learning center, will relocate from various offices in downtown Lansing to the approximately 280,000 square foot Hall of Justice. A rent adjustment is included in the fiscal year 2003 budget to support this move. The fiscal year 2003 recommendation also recommends the elimination of nine staff positions in order to fund employee economics.

Program Outcomes	Fiscal Year			
	2000	2001	2002	2003
In order to provide timely access to justice, dispose of 80% to 90% of Supreme Court appeals within 290 days (Recognizes the American Bar Association standard for Supreme Courts that 50% of cases be disposed of within 290 days)	94%	90%	>80%	>80%
Achieve a case inventory in which 90% of the Court of Appeals cases are no more than 18 months old	84%	84%	85%	90%
In order to provide an alternative to costly litigation, increase the percentage of cases resolved through dispute resolution, retracting filed lawsuits	47%	57%	62%	65%
Keep recidivism rate for drug courts below 16%	8.5%	7%	<16%	<16%